

**SRB – FBF ACADEMIC EVENT**  
**SESSION 2 – DISCUSSANT NICOLA COSTA**

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27 November 2020



*Views expressed do not necessarily reflect the official views of the SRB*

## REMOVING THE REGULATORY BARRIERS TO CROSS – BORDER BANKING (1/2)

*Nikos Maragopoulos' paper on the policy context - comparison with another recent eminent proposal: Andrea Enria and Edouard Fernandez-Bollo's blogpost dated 9 October 2020*

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| <ul style="list-style-type: none"><li>• The blogpost focuses mainly on <u>liquidity waivers</u></li><li>• The blogpost does not tackle the possibility of cross-border internal MREL waivers</li><li>• The blogpost mentions a revision of intragroup financial support agreements (<u>IFSAs</u>) - but they remain <u>optional</u></li></ul> | <ul style="list-style-type: none"><li>• The paper addresses <u>both liquidity and capital waivers</u></li><li>• The paper puts forward the idea of <u>cross-border internal MREL waivers</u></li><li>• The paper indicates that <u>IFSAs</u> should be <u>mandatory</u> for those wishing to apply waivers</li></ul> |
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### For reflection

Would it make sense to have a gradual step by step approach as proposed in the blogpost? Or rather a more complex plan as suggested in the paper?

## REMOVING THE REGULATORY BARRIERS TO CROSS – BORDER BANKING (2/2)

*The paper puts forward additional interesting ideas*

- The idea of a connection of internal MREL to resolvability assessment scoring and collateralised guarantees for the recapitalisation amount:
  - ▶ **Further work:** *need of empirical analysis to confirm the intuitive approach proposed on the scoring, threshold, etc.*
- The idea that the liquidity in resolution (LiR) issue would be mitigated through mobilisation of collateral held by subsidiaries:
  - ▶ **Further work:** *need of empirical analysis to confirm the intuitive statement – keeping in mind this would not be silver bullet to solve the LiR problem*

### For reflection

Which regulatory policies are more correlated than others to cross-border banking integration? How to make home & host MSs comfortable with the ideas proposed?

**THANK YOU!**

